

## **FISCAL NOTE**

### **SB 2990 – HB 4140**

February 26, 2008

**SUMMARY OF BILL:** Authorizes the Commissioner of the Department of Labor and Workforce Development to reduce or waive penalties against employers in certain circumstances if the injured worker has been fully compensated by the employer for all benefits and compensation for which the employee is eligible.

#### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – If the Commissioner of the Department of Labor and Workforce Development chooses to reduce or waive penalties for such violations, there will be a reduction in the penalty revenue received by the Uninsured Employers Fund. The magnitude of such reduction will depend upon the future decisions of the Commissioner but can reasonably be estimated to exceed \$100,000. Reducing the amount of revenue received by the fund could result in a decreased reversion to the general fund. This Uninsured Employers Fund is funded, in part, by state appropriations. On a quarterly basis, the fund is swept for the purpose of reimbursing the General Fund for such appropriations. In years when the fund collects enough to repay the appropriation, any excess is retained. As a result, if the fund runs a deficit in a given year, the General Fund may not be able to recoup all appropriations.**

#### **Assumptions:**

- According to the Department of Labor and Workforce Development, penalties for such violations currently total in excess of \$1,000,000 annually.
- The Uninsured Employers Fund ended FY's 00-01, 01-02, and 02-03 with a deficit ranging from approximately \$13,600 to \$201,800. In FY's 03-04, 04-05, 05-06, and 06-07 the fund ended the year with surpluses ranging from approximately \$21,700 to \$663,700.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/cce